

WASHINGTON (March 29) - The House of Representatives voted Tuesday to terminate another failed government program by passing a bill that ends the Administration's highly criticized Home Affordable Mortgage Program (HAMP). H.R. 839, introduced by Rep. Patrick McHenry, terminates the troubled program that received TARP funds while preserving the contracts made prior to the bill's enactment. The House approved the measure by a vote of 252-170.

Financial Services Committee Chairman Spencer Bachus noted HAMP has come under harsh criticism from both Republicans and Democrats, as well as the Special Inspector General for TARP and the Congressional Oversight Panel.

"HAMP is the poster child for ineffective government programs. It does not work and has actually made things worse for many struggling homeowners," said Chairman Bachus.

In February 2009, the Administration announced the creation of HAMP to provide payments to mortgage servicers for modifying mortgages of struggling borrowers. The Administration set aside \$30 billion in TARP funds to finance the incentive payments to mortgage servicers. Treasury recently estimated that each permanent HAMP modification will cost taxpayers \$20,000.

The Special Inspector General for TARP, Neil Barofsky, reported in testimony to the Financial Services Committee that HAMP "benefits only a small portion of distressed homeowners, offers others little more than false hope, and in certain cases causes more harm than good."

To view a video excerpt from Congressman Bachus statement on the floor, [click here](#).